

---

## B. SIPP Topcoding Specifications

### Earnings

The topcoding of earnings amounts is based on the procedure used by the Current Population Survey (CPS). Monthly amounts are topcoded if the wave amount is greater than one-third of the annual earnings benchmark of \$150,000. The Survey of Income and Program Participation (SIPP) uses the benchmark of \$150,000 set by CPS to “annualize” the topcoding procedure. SIPP topcodes on a monthly basis (reporting level) for amounts exceeding \$12,500 (1/12 of \$150,000) if the wave amount is greater than \$50,000 (1/3 of \$150,000). The topcoded amounts are defined once for the Panel based on Wave 1 edited data.

Three variables require topcoding:

- EPM(1-4)SUM—wage and salary earnings,
- EBM(1-4)SUM—self-employed earnings,
- EMLM(1-4)SUM—earnings from additional jobs and moonlighting.

To compute the topcodes, the Census Bureau tallies all amounts that require topcoding based on the above criteria into a 12-cell matrix. The cells are based on sex, race/ethnic origin, and full-time/part-time worker definition. When all values have been tallied, a mean is computed for each cell based on the total amount divided by total number of occurrences. Those means will be used for the entire 1996 Panel with an adjustment for inflation and real growth in earned income of 1.019% per wave for all remaining waves in the panel.

### Topcoding Earnings for the 1996 SIPP Panel

If the sum of the monthly earnings amounts for a job for the wave is greater than \$50,000, then those monthly amounts that are greater than \$12,500 are topcoded. After matching on sex, race/ethnic origin, and labor force status, the Census Bureau uses the topcode amounts from the topcoding matrix for earnings. See Table B-1 for examples of income amounts that need to be topcoded.

**Table B-1. Examples of Income Amounts That Need to Be Topcoded**

Example	Monthly Income Amounts				Sum for the Wave	Is the Sum Greater Than \$50,000?	Topcoding Procedure
	Month 1	Month 2	Month 3	Month 4			
1	\$3,000	\$4,000	\$5,000	\$5,000	\$17,000	No	None
2	\$0	\$0	\$0	\$55,000	\$55,000	Yes	Topcode month 4 with the mean
3	\$15,000	\$15,000	\$10,000	\$12,000	\$52,000	Yes	Topcode months 1 and 2 with the mean
4	\$12,000	\$12,000	\$12,000	\$15,000	\$51,000	Yes	Topcode month 4 with the mean
5	\$0	\$0	\$0	\$49,000	\$49,000	No	None
6	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000	Yes	Topcode all 4 months with the mean

## Specification of the Matrix for Calculating the Means for Earnings

The mean values are created by summing the reported monthly amounts that are greater than \$12,500 and dividing by the total number of inputs to the cell.

For cells with fewer than six amounts, create a mean value by summing all values for those cells with fewer than six amounts and dividing by the total number of inputs to the cells. Matrix definition:  $2 \times 3 \times 2$  matrix for sex, race, and labor force status

### Sex

Use the edited variable ESEX with the following values:

ESEX: 1 = Male

2 = Female

### Race

Set the index RACORIG, using the edited ERACE and EORIGIN, as described below:

Create the index variable RACORIG, defined as follows:

RACORIG:    1 = Nonblack, non-Hispanic  
              2 = Black, non-Hispanic  
              3 = Hispanic, any race

IF (EORIGIN = 20 - 28)       THEN RACORIG = 3  
ELSE IF (ERACE = 2)        THEN RACORIG = 2  
ELSE                        THEN RACORIG = 1

### **Labor Force Status**

Set the index FTFULYR, which will define a worker as a full-time, full-year or a full-time, not full-year worker.

FTFULYR:  
          1 = Yes, full-time, full-year worker  
          2 = No, not full-time, full-year worker

IF (RM1ESR = 1 AND RM2ESR = 1 AND RM3ESR = 1 AND RM4ESR = 1) **AND**

(the number of variables in the EHRSWK01 - EHRSWK(EMAX) array that equal 1 is greater than EMAX/2)

THEN FTFULYR = 1 (YES)  
ELSE FTFULYR = 2 (NO)

### **Filling the Matrix to Create the Means for Topcoding**

Perform the following calculations in the order shown:

- Sum the four monthly amounts reported for EPM1SUM, EPM2SUM, EPM3SUM, and EPM4SUM. If the sum is greater than \$50,000, then store the amounts greater than \$12,500 in the appropriate cell in the matrix (matched on ESEX, RACORIG, FTFULYR).
- Sum the four monthly amounts reported for EBM1SUM, EBM2SUM, EBM3SUM, and EBM4SUM. If the sum is greater than \$50,000, then store the amounts greater than \$12,500 in the appropriate cell in the matrix (matched on ESEX, RACORIG, FTFULYR).

- Sum the four monthly amounts reported for EMLM1SUM, EMLM2SUM, EMLM3SUM, and EMLM4SUM. If the sum is greater than \$50,000, then store the amounts greater than \$12,500 in the appropriate cell in the matrix (matched on ESEX, RACORIG, FTFULYR).
- Sum the values in each cell and divide by the number of inputs to the cell for the mean amount for the cell.
- For cells with fewer than six inputs, create the mean by combining all of the amounts from each of the cells and dividing by the total number of inputs to the cells. Use this mean for all cells with zero to six entries.

**Table B-2. Earnings Topcodes**

<b>Sex</b>	<b>Race</b>	<b>Worker Status</b>	<b>Topcode</b>
Sex = 1 (Male)	Nonblack, non-Hispanic	Full year, full time	\$29,660
Sex = 1 (Male)	Nonblack, non-Hispanic	Not full year, full time	\$38,270
Sex = 1 (Male)	Black, non-Hispanic	Full year, full time	\$17,530
Sex = 1 (Male)	Black, non-Hispanic	Not full year, full time	\$24,015
Sex = 1 (Male)	Hispanic, any race	Full year, full time	\$26,250
Sex = 1 (Male)	Hispanic, any race	Not full year, full time	\$24,015
Sex = 2 (Female)	Nonblack, non-Hispanic	Full year, full time	\$21,990
Sex = 2 (Female)	Nonblack, non-Hispanic	Not full year, full time	\$49,450
Sex = 2 (Female)	Black, non-Hispanic	Full year, full time	\$24,015
Sex = 2 (Female)	Black, non-Hispanic	Not full year, full time	\$24,015
Sex = 2 (Female)	Hispanic, any race	Full year, full time	\$24,015
Sex = 2 (Female)	Hispanic, any race	Not full year, full time	\$24,015

*Note:* The topcodes listed above for each cell are greater than the monthly value that is tested, \$12,500. This topcode is the mean of all amounts greater than \$12,500. The intention is to reveal as much information as possible by using the mean value.

## Year of Birth (TBYEAR)

Year of birth is bottomcoded to 1912 to ensure that age does not exceed 88 during the panel. If year of birth (EYEAR) is earlier than 1912, set year of birth to 1912. Age must be recalculated based on the new year of birth.

## Age (TAGE)

Age is topcoded to 88 for the entire panel. TAGE is topcoded through birth year (EYEAR), which is bottomcoded to 1912, and then age is recalculated.

## Age at Receipt of Social Security Disability Benefits (TAGESS)

EAGESS is age at which person began receiving Social Security Disability benefits.

If EAGESS is greater than TAGE, set TAGESS equal to the topcoded value for age (88).

If EAGESS GT TAGE        THEN TAGESS = TAGE

## Age Respondent Started Job or Business (TSJDATE, TEJDATE, TSBDATE, TEBDATE)

ESJDATE is date respondent started job.

EEJDATE is date respondent ended job.

ESBDATE is date respondent started business.

EEBDATE is date respondent ended business

A respondent cannot be over 88 years old during the life of the panel. Therefore, year of birth is bottomcoded to 1912. A respondent cannot have “worked” or “owned a business” before age 14 years. The earliest a respondent can be shown beginning or ending a job or business is 1926 (1912 + 14). If the date in ESJDATE, EEJDATE, ESBDATE, or EEBDATE is earlier than 1926, set the date to 1926 (exclude values equal to -1).

**After** bottomcoding the year to 1926, check the month and day fields to ensure that the end date is after the start date for the job or business and then **switch** the dates as follows:

For Jobs:

    If EEJDATE is less than ESJDATE  
        Then   ESJDATE = EEJDATE  
              EEJDATE = ESJDATE

For Businesses:

    If EEBDATE is less than ESBDATE  
        Then   ESBDATE = EEBDATE  
              EEBDATE = ESBDATE

**Table B-3. 1996 Panel Topcoding Specifications**

	<b>PUF Variable</b>	<b>MONTHLY Topcode at:</b>	<b>Bottom-code</b>	<b>Short Description</b>
1	TBDJTINT	\$2,500	NA	Assets: Amount of monthly interest on joint municipal-corporate bonds
2	TBDOINT	\$3,200	NA	Assets: Amount of monthly interest on self-owned municipal-corporate bonds
3	TCDJTINT	\$450	NA	Assets: Amount of monthly interest on joint certificates of deposit
4	TCDOINT	\$825	NA	Assets: Amount of monthly interest on solely owned certificates of deposit
5	TCKJTINT	\$55	NA	Assets: Amount of monthly interest from joint checking account
6	TCKOINT	\$110	NA	Assets: Amount of monthly interest on solely owned checking account
7	TGVJTINT	\$550	NA	Assets: Amount of monthly interest on joint U.S. government securities
8	TGVOINT	\$1,725	NA	Assets: Amount of monthly interest on self-owned U.S. government securities
9	TJACLR	\$1,375	(\$1,000)	Assets: Amount of net rent from property owned jointly with spouse
10	TJACLR2	\$6,000	(\$1,000)	Assets: Amount of net income from rental property with others
11	TJARNT	\$2,725	NA	Assets: Amount of gross rent from property owned jointly with spouse
12	TMDJTINT	\$275	NA	Assets: Amount of monthly interest on joint money market account
13	TMDOINT	\$550	NA	Assets: Amount of monthly interest on self-owned money market deposit account
14	TMIJNT	\$1,775	NA	Assets: Amount of interest on mortgage owned with spouse
15	TMIOWN	\$1,650	NA	Assets: Amount of interest on own mortgage
16	TMJADIV	\$700	NA	Assets: Amount of dividend credited to joint margin account/reinvestment in mutual funds
17	TMJNTDIV	\$1,100	NA	Assets: Amount of check for jointly own mutual funds
18	TMOWNADV	\$1,825	NA	Assets: Amount of dividend credited to sole margin account/reinvestment in mutual funds
19	TMOWNDIV	\$1,375	NA	Assets: Amount of check for solely owned mutual funds
20	TOACLR	\$2,450	(\$1,250)	Assets: Amount of net income from own rental property
21	TOARNT	\$4,350	NA	Assets: Amount of gross rent from own property
22	TRNDUP1	\$3,300	NA	Assets: Amount of income from royalties
23	TRNDUP2	\$4,750	(\$1,250)	Assets: Amount of other income from financial investments
24	TSJADIV	\$825	NA	Assets: Amount of dividend credited to margin account/reinvestment in stocks owned jointly
25	TSJNTDIV	\$775	NA	Assets: Amount of dividend check for jointly owned stocks
26	TSOWNADV	\$1,375	NA	Assets: Amount of monthly dividend credited margin account/reinvestment in stock
27	TSOWNDIV	\$1,150	NA	Assets: Amount of dividend check for solely owned stocks
28	TSVJTINT	\$150	NA	Assets: Amount of monthly interest on joint savings account.

*(table continues)*

**Table B-3. 1996 Panel Topcoding Specifications (*continued*)**

	<b>PUF Variable</b>	<b>MONTHLY Topcode at:</b>	<b>Bottom-code</b>	<b>Short Description</b>
29	TSVOINT	\$175	NA	Assets: Amount of monthly interest on self-only savings account
30	TCSAGY(M)	NA	NA	GenInc: Amount received by agency on your behalf
31	T28AMT	\$1,200	NA	GenInc: Amount of child support payments
32	T29AMT	\$3,275	NA	GenInc: Amount of alimony payments
33	T30AMT	\$2,500	NA	GenInc: Amount of pension from a company or union
34	T31AMT	\$3,925	NA	GenInc: Amount from federal civil service or other federal civilian employee pension
35	T32AMT	\$3,825	NA	GenInc: Amount of U.S. military retirement pay
36	T34AMT	\$3,270	NA	GenInc: Amount of state government pension
37	T35AMT	\$3,600	NA	GenInc: Amount of local government pension
38	T36AMT	\$2,200	NA	GenInc: Amount of income from a paid-up life insurance policy or annuity
39	T37AMT	\$5,000	NA	GenInc: Amount from estates or trusts
40	T38AMT	\$2,600	NA	GenInc: Amount of payments for retirement, disability, or as a survivor benefit
41	T39AMT	\$110,000	NA	GenInc: Amount of payments for pension/retirement lump sums
42	T42AMT	\$13,625	NA	GenInc: Amount of draw from an IRA/Keough/401k or Thrift Plan
43	T50AMT	\$75	NA	GenInc: Amount of income assistance from a charitable group
44	T51AMT	\$10,900	NA	GenInc: Amount of money from relatives or friends
45	T52AMT	\$325	NA	GenInc: Amount of lump-sum payments
46	T53AMT	\$1,960	NA	GenInc: Amount of income from roomers or boarders
47	T55AMT	\$3,500	NA	GenInc: Amount of incidental or casual earnings
48	T56AMT	\$21,800	NA	GenInc: Amount of miscellaneous cash income
49	TBM(M)SUM1/2	See Spec No. 1	NA	Business: Income received this month
50	TPM(M)SUM1/2	See Spec No. 1	NA	Job: Earnings from job received in MONTH1
51	TMLM(M)SUM	See Spec No. 1	NA	LabFor: Amount of income from this work (moonlighting) this month
52	TBYEAR	See Spec No. 2	NA	Person: Birth year
53	TAGE	See Spec No. 3	NA	Person: Age as of last birthday
54	TAGESS	See Spec No. 4	NA	GenInc: Age Social Security Disability receipt began
55	TSJDATE	See Spec No. 5	NA	Job: Date started this job
56	TEJDATE	See Spec No. 5	NA	Job: Date ended this job
57	TSBDATE	See Spec No. 5	NA	Business: Date started operating this business
58	TEBDATE	See Spec No. 5	NA	Business: Date ended operating this business
59	TPYRATE	\$30	NA	Job: Regular hourly pay rate
60	TPRFTB	\$17,450	(\$2,500)	Business: Net profit or loss
61	TROLLAMT	\$999,000	NA	GenInc: Amount rolled over into a retirement account during the reference period
62	TMTHRNT(M)	\$650	NA	Household: Amount of monthly rent